

**Internal Revenue Service**Alcohol, Tobacco, and Firearms Division  
Washington, D.C. 20224

October 14, 1969

**Industry  
Circular**

Industry Circular No. 69-23

**WITHDRAWAL OF LIQUORS FOR USE ON AIRCRAFT; RECIPROCATING COUNTRIES**

Proprietors of distilled spirits plants,  
bonded wine cellars, breweries,  
and others concerned:

Purpose. This circular is issued to inform you of the provisions of a revenue procedure which will be published in an early issue of the Internal Revenue Bulletin. The revenue procedure will announce the addition of South Africa to the list of foreign countries to which the reciprocal privileges provided by section 309 of the Tariff Act of 1930, as amended, may be extended, and will advise that ground equipment may not be withdrawn under section 309 for aircraft registered in Canada, the Federal Republic of Germany, Italy, and the United Kingdom.

Background. Under the provisions of the above-cited section of the Tariff Act, the privilege of withdrawing liquors free of tax or with benefit of drawback, for use as supplies (including equipment), maintenance, or repair, of aircraft registered in a foreign country is extended to aircraft registered in a foreign country only if the Secretary of the Treasury is advised by the Secretary of Commerce that such foreign country allows, or will allow, substantially reciprocal privileges to aircraft registered in the United States. The Secretary of Commerce has advised the Secretary of the Treasury that, except for ground equipment, South Africa extends such privileges to aircraft registered in the United States and engaged in foreign trade. Corresponding privileges are, therefore, extended to aircraft registered in South Africa and engaged in foreign trade.

Although prior revenue procedures did not specify any exceptions for the countries of Canada, the Federal Republic of Germany, Italy, and the United Kingdom, the Secretary of Commerce has now found that these countries do not allow exemption from tax on ground equipment brought into those countries for aircraft of United States registry engaged in foreign trade. Therefore, effective May 1, 1969, as to Canada and the Federal Republic of Germany, effective June 25, 1969, as to the United Kingdom, and effective September 23, 1969, as to Italy, ground equipment may not be withdrawn under section 309(a)(3) of the Tariff Act of 1930, as amended, for aircraft registered in such foreign countries.

Complete List of Foreign Countries. The complete list of foreign countries to which the privileges provided for by section 309 of the Tariff Act of 1930 may be extended is now as follows:

Argentina	Ecuador	Japan	South Africa*
Australia	Eire	Lebanon	Spain
Bahama Islands	El Salvador	Mexico	Sweden
Belgium	Finland	Netherlands	Switzerland
Bermuda	France	Nicaragua	Trinidad and Tobago
Brazil	Germany, Federal	Norway	Union of Soviet Socialist Republics
Canada*	Republic of*	Pakistan	United Kingdom*
Chile	Greece	Panama	Venezuela
Costa Rica	India	Peru	
Denmark	Israel	Portugal*	
Dominican Republic	Italy*		

\* (except for ground equipment).

Inquiries. Inquiries regarding this circular should refer to its number and be addressed to the office of your Assistant Regional Commissioner (Alcohol, Tobacco and Firearms).

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